

# Funding Streams for Opportunity Youth

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**RUTGERS**

Edward J. Bloustein School  
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JOHN J. HELDRICH CENTER  
FOR WORKFORCE DEVELOPMENT

 **NEWARK  
OPPORTUNITY  
YOUTH NETWORK**

 **LEAD**  
CHARTER  
SCHOOL

 **YB**  
YOUTHBUILD  
NEWARK

 **MBKN**  
MY BROTHER'S  
KEEPER NEWARK

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# Foreword

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The Newark Opportunity Youth Network (NOYN) was established in 2016 after nearly a decade of serving young people ages 16 to 24 as YouthBuild Newark, an affiliate of YouthBuild USA. YouthBuild is a nonprofit organization that provides educational, employment, and leadership training to young people (ages 16 to 24) across nearly 300 programs in the United States and around the world. NOYN's mission is to help Newark thrive by reconnecting young people ages 16 to 24 who are not in school and not working by establishing exceptional, world-class public schools and educational programs that harness the intelligence and positive energy of low-income young people; proving that young people can achieve positive postsecondary outcomes despite overwhelming odds; and advocating for change in public policy that inhibits young people's success (Fisher & Kim, 2018).

In 2020, NOYN established the Newark Youth Workforce Collaborative (the Collaborative) to address the largely disconnected youth workforce system across Newark, New Jersey. NOYN functions as the backbone of the Collaborative. This collective impact initiative focuses on strengthening Newark's workforce ecosystem by bringing the leaders of youth workforce development together to create systems change that establishes a clear school-to-workforce pipeline for in-school and out-of-school youth and young adults (YYA) ages 16 to 24.

Establishing a system that addresses the needs of YYA in under-resourced communities is more vital than ever given the ongoing COVID-19 pandemic. The rates of youth disconnection from the labor force have increased exponentially since the pandemic began. And the federal relief programs that were implemented to reduce the stress of the pandemic did not serve the most vulnerable youth. Youth between the ages of 16 and 24 who were claimed as dependents did not receive stimulus payments, nor did youth from immigrant families. Additionally, the extended and enhanced Unemployment Insurance benefits were provided only to those individuals who were employed within the formal economy prior to the pandemic (Palmer & Small, 2021).

In light of these recent events that exacerbated what have been long-existing needs of youth in urban areas, a collaborative response was required to mitigate the challenges foisted onto young people, especially those who are not employed and not in education or training. To illuminate viable pathways going forward, this report summarizes the literature around available funding for youth workforce development and the programs serving this population in New Jersey. Interviews with practitioners providing services to youth and other experts in the field shed more light on the possibilities and pitfalls for more coordinated provision of youth services.

# Introduction

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In 2020, NOYN established the Collaborative to align programming and resources with other youth-serving organizations in Newark, New Jersey. Over the years, Newark has made great strides in training youth. However, the youth workforce system in Newark was fragmented and operated in silos, especially for in-school youth. To receive assistance, youth had to navigate several systems to receive services because there was no centralized method for providing youth with services that would optimize their potential and provide them with the tools to transcend their circumstances. The Collaborative shares resources to serve both in-school and out-of-school youth in Newark, bridging two systems that historically have operated independently of one another. NOYN's fundamental belief is that the whole is greater than the sum of its parts. Each initiative within NOYN's network has its own unique expertise and focus as it relates to serving young people. The Collaborative leverages the range of diversely focused yet interrelated programming options to strengthen the youth workforce ecosystem in Newark to meet its goal of establishing a school-to-work pipeline for Newark's young people through education, training, and employment.

Community-based organizations (CBOs) play a critical role in building the capacity of communities and delivering valuable programs and services to the people within them. CBOs help participants lead more productive, healthier, and stable lives. CBOs are an essential institution in serving opportunity youth because of their access to community resources and services that support student learning and their familiarity with the surrounding community's young people and families. NOYN operates a community-based school – Lead Charter School – and partners with a number of CBOs within Newark. It has a long history of working with young people around their school experience, providing social intervention services, and offering a range of opportunities, including tutoring and academic support, arts and cultural activities, sports and recreation, community service, employment and training, and leadership development.

NOYN contracted with the John J. Heldrich Center for Workforce Development at Rutgers, The State University of New Jersey to conduct a comprehensive analysis of the youth workforce development system within the state. The study documents how the youth workforce system developed in New Jersey since the federal Workforce Innovation and Opportunity Act (WIOA) took effect, how it currently functions, and the financial and systemic realities that historically have been an impediment to a more collaborative approach. An unfortunate truth is that sometimes state legislatures design policies that, perhaps unintentionally, inhibit a community's ability to achieve collective impact through leveraging multiple resources. Compliance-driven funding models that limit a program's ability to connect with other programs to expand the impact, or disconnected public agencies that allocate funds and operate programs, to name a few, create obstacles to achieving collective impact. This research aims to provide stakeholders, including direct service providers and policymakers, with the tools to navigate these obstacles to better serve young people in New Jersey.

The literature available around youth workforce development specifically in New Jersey is sparse, so to complement the literature review, researchers conducted in-depth interviews with local and national experts in youth workforce development.

## Who are Opportunity Youth?

Most Americans face a myriad of challenges as they transition from childhood to adulthood. For those neither working nor in school, these challenges are amplified as individuals also must contend with the financial, social, political, cultural, and/or emotional challenges associated with not being employed or enrolled in a secondary, postsecondary, or credential-offering educational institution. As a descriptive category for that situation, disconnected youth are teenagers and young adults who are between the ages of 16 and 24 and neither working nor in school. This population is also referred to as **opportunity youth** or **alternative youth** in the United States and by the acronym **NEET (Not in Education, Employment, or Training)** internationally.

A study conducted by Measure of America found that, in 2018, of the nearly 39 million youth in America, 11.2% of them were disconnected. Measure of America estimates roughly nine million were out of work and school at the peak of the COVID-19 pandemic, and expects the 2020 number to be closer to six million – higher than the post-recession number of 5.8 million disconnected youth. Palmer and Small (2021) estimate the national disconnection rate rose to 28% in June 2020. Of the 4,353,300 disconnected youth estimated in 2018, 32.1% were living in poverty, 25.2% did not finish high school, 51.3% did not get education higher than a high school diploma, 25.2% were women with children, and 38.55% were on Medicaid (Lewis, 2020).

Prior to the pandemic, the United States experienced a strong job market with low overall unemployment, but despite this, a substantial number of young people were disconnected from work and schooling (Loprest, Spaulding, & Nightingale, 2019). Even though there has been an increase in the number of youth who attend school in recent decades, a considerable proportion of young people between the ages of 16 and 24 remain detached from school and the labor force. Understanding these challenges, especially for certain subgroups, is essential to mitigating the challenge of youth disconnection.

The literature is extensive concerning the causes of the decline in the overall participation of the prime-age labor force, and these explanations are similarly relevant for young people who are disconnected from the labor market (Loprest, Spaulding, & Nightingale, 2019). One explanation for the overall decline in labor force participation is stagnant and declining wages for less-educated men of color. According to Rodgers (2019), since the early 2000s, men of color have experienced a decline or stagnation in their wage premium. Many young people who are not attached to the labor market, especially in urban areas, are men of color. Thus, stagnant and declining wages can deter young men of color from entering the workforce. Another argument, according to Abraham and Kearney (2018), is technology that increases the demand and productivity for higher-skilled labor has the opposite effect on less-skilled workers. This phenomenon may explain the increase in schooling of young people over the past few decades, as well as the lack of employment opportunities for less-educated, less-skilled youth who are not in school, many of whom typically live in urban communities of color.

Criminal justice involvement is another barrier to employment for young people, especially in marginalized communities of color. In fact, involvement in the criminal justice system is highest among youth in their teenage years and has a lasting influence on later life outcomes (Loprest, Spaulding, & Nightingale, 2019). By definition, incarcerated youth are disconnected from the labor market, and youth involved in the criminal justice system have trouble transitioning into the labor market. Criminal justice involvement also isolates youth and severs their connections from valuable networks that provide young people with safety and security, such as family, school, and work (Loprest, Spaulding, & Nightingale, 2019).

Another obstacle to employment opportunities is a spatial mismatch between where YYA in under-resourced communities live and the locations where suitable job opportunities are available. Lack of job prospects near home coupled with insufficient means of transportation, which pose a significant challenge for individuals living in communities with enduring poverty, makes an already difficult situation harder (Loprest, Spaulding, & Nightingale, 2019). This outline of barriers is not exhaustive. However, it offers a glimpse into the formidable path that lies in the way of young people who find themselves disconnected.

The benefits reaped by society for investing in both preventing youth disconnection and helping disconnected youth connect to education, employment, or training are substantial, yet many such benefits may not be realized immediately. Therefore, patience and continuous, sustained support are required from the community and stakeholders to realize the full range of benefits that come from investing in underserved populations. The most compelling evidence for society to invest strategically in the development of disadvantaged young people comes from a longitudinal study that began several decades ago in Ypsilanti, Michigan. The High/Scope Perry Preschool Study through Age 27, a long-term study of adults who had received high-quality early childhood care and education, showed participants completed more schooling, committed fewer crimes, had higher rates of employment, and earned a higher income than nonparticipants (Schweinhart & Weikart, 1993). The educational and socio-emotional supports that study participants received when they were three- and four-years-old continued to pay dividends throughout their schooling and into the workforce. There is every reason to believe that the same strategy, when applied to investment in youth workforce development, will yield similarly positive outcomes, particularly if youth can receive a range of supports through CBOs before becoming disconnected.

For those who advocate on behalf of this population, the question demanding an answer is **what can and should be done to improve the system of youth workforce development to better serve disconnected youth?** This study begins to respond to that question.

## Research Questions Being Investigated

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With an understanding of who are categorized as opportunity youth and some of the barriers that these YYA encounter in seeking support with workforce development, researchers crafted the following research questions to guide investigation of public policy provisions and funding sources available to help address the needs of this population in New Jersey.

1. What are the key public policy funding streams that support youth workforce development in New Jersey, including funding streams that support employment specifically for alternative, non-traditional youth, what do they support, and how are they administered? [WIOA, Perkins, other education-related policies? Temporary Assistance for Needy Families (TANF) provisions? Juvenile justice? Vocational rehabilitation?]
2. What is the role of the nonprofit and philanthropy community, if any, in being part of the youth workforce development system in New Jersey, specifically as it pertains to alternative, non-traditional youth?
3. How, if at all, do the funding streams work in cooperation as a connected system? What barriers or challenges exist to a more integrated youth workforce development system?
4. What policy changes could improve the youth workforce development system to make it more of a seamless youth development system, especially as it pertains to alternative, non-traditional youth specifically?
5. What policy changes could improve the scalability of promising or effective youth workforce development programs?

## Methodology

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The research team used a mixed-methods approach to collect the data for this study. Researchers conducted a literature review to better understand the federal funding sources used to provide workforce and educational services to youth ages 16 to 24, focusing primarily on out-of-school youth. The literature review covers current federal funding policies, including WIOA, TANF, Supplemental Nutrition Assistance Program (SNAP), Federal Pell Grant Program, and Perkins V.

After completing the literature review, researchers interviewed 10 individuals who work in youth workforce development, representing frontline practitioners, nonprofit executives, foundation managers, and other experts to gain insight into the youth workforce system in New Jersey. Interviews took place between August and October 2021, with each interview lasting approximately one hour. The interviews yielded hand-written notes and audio recordings that were coded for analysis.

# Youth Workforce Development Funding

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## Funding Streams

Recognizing the importance of cultivating youth to enter the workforce, there have been many federal policies aimed at providing youth with resources and support to aid them in overcoming the barriers and challenges they may face. Over time, these policies have evolved into those that exist today. A brief summary of historical legislation governing programs to serve disconnected youth is provided for context, before discussing the funding available through the current federal policy provisions.

### Historical Federal Programs that Served Disconnected Youth

Starting in the 1960s, the federal government began targeting disconnected young people through job-readiness programs and educational and social supports (Fernandes-Alcantara, 2018). These programs include:

- ▶ Manpower Development Training Act (1962): Created under President Lyndon B. Johnson's administration to combat poverty, especially for poor families and youth.
- ▶ Comprehensive Employment and Training Act (1973): Supported disconnected youth, welfare recipients, and impoverished families.
- ▶ Job Training Partnership Act (1982): Replaced the Comprehensive Employment and Training Act; it provided on-the-job training and job opportunities to disadvantaged youth and adults.
- ▶ Workforce Investment Act (1998): Offered Title I (job training), Title II (adult education and literacy), Title III (employment services), and Title IV (vocational rehabilitation). Served the same population as previous programs and established One-Stop Career Centers designed to offer seamless access to employment and training programs into an integrated system for job seekers and employers so that job seekers could more easily enter or reenter the workforce (Fernandes-Alcantara, 2018).

### Current Federal-level Funding Available for Youth Workforce Development in New Jersey

The following section provides details of the five major federal policies that provide funding for youth workforce development in New Jersey: WIOA, TANF, SNAP, Pell, and Perkins V. For each policy, programmatic details, funding background, eligibility requirements, restrictions, and limitations of the specific funding stream are provided.

### Workforce Innovation and Opportunity Act of 2014

#### Background

At the federal level, the primary workforce program that serves disconnected youth is WIOA – the offspring of WIA. President Barack Obama implemented WIOA to contend with employment barriers that face disenfranchised communities. WIOA has six core programs. The Title I program – Youth Services Program – provides funding for disconnected youth between the ages of 16 and 24 who have barriers to employment. WIOA provides funding for states to plan and implement programs that help youth build their skills, attain an education, and secure employment. Alongside WIOA, TANF and SNAP provide supplemental services that provide a safety net to youth who participate in workforce development programs. These programs sometimes offer their own workforce components, but primarily function as a supplement to existing programs like WIOA. In fact, the federal governmental structures TANF and SNAP to serve a much wider population than disconnected youth and accommodate a larger variety of outcomes than educational attainment or employment (Thompson, 2017). These federal funds have restrictions and requirements placed on them that dictate for what and how they can be used.

How the federal government appropriates funding is complex as funding streams often pass through a level of state and/or local rule-making processes prior to distribution (Thompson, 2017). Such is the case with federal funds provided by the WIOA Title I Youth Program. Under the legislation, the federal government provides funds to states, which are then distributed among local workforce areas and their development boards, which oversee the planning for youth funds and delivery of services. Federal regulations permit local workforce development boards to designate a standing youth committee to guide planning and operations (Center for Law and Public Policy, 2016). Services are to focus on assisting out-of-school youth and in-school youth with one or more barriers to employment by helping them prepare for postsecondary educational and employment opportunities, attain educational and/or skills training credentials, and secure employment with career/promotional opportunities (U.S. Department of Labor, Employment and Training Administration, 2021).

**WIOA Title I Youth Funding**

In program year 2019, Congress allocated \$903,416,000 in funding to WIOA in the federal budget. That year’s WIOA allocation funded 137,289 youth nationally, which was lower than previous years due to COVID-19. As shown in Table 1, 73.4% were engaged in employment, education, or training during the fourth quarter after exit. The credential attainment rate was 63.4% and the measurable skill gain rate was 47.1% (U.S. Department of Labor, Employment and Training Administration, 2021).

**Table 1: WIOA Title I Youth Program Year 2019 Highlights**

Total WIOA funding	\$903,416,000
Youth served, nationally	137,289
Percent engaged in employment, education, or training during fourth quarter after exit	73.4%
Credential attainment rate	63.4%
Measurable skill gain rate	47.1%

Source: U.S. Department of Labor, Employment and Training Administration, 2021.

**New Jersey Title I Youth Funding**

In program year 2019, New Jersey served 3,048 youth participants, with 579 receiving training (see Table 2). The employment rate second quarter after exit was 64.6%, and fourth quarter after exit, it increased to 65.2% with a median earning of \$2,629. For youth programs, these employment percentages also reflect youth enrolling in an educational or training program besides employment. For program year 2019, the credential attainment rate was 55.2%, and 64% demonstrated a measurable skill gain. (U.S. Department of Labor, Employment and Training Administration, n.d. -b).

**Table 2: New Jersey WIOA Title 1 Youth Program Year 2019**

Youth served	3,048
Youth receiving training	579
Percent engaged in employment, education, or training during fourth quarter after exit	65.2%
Median earning at fourth quarter after exit	\$2,629
Credential attainment rate	55.2%
Measurable skill gain	64%

Source: U.S. Department of Labor, Employment and Training Administration, n.d. -b.



### Eligibility

Opportunity youth have a variety of needs that not all funding streams can meet. These needs vary from youth to youth and include academic supports, student support services such as transportation and child care, tuition and fees, intake, assessment, advising and case management, career coaching and job search, and job placement (Thompson, 2017). Programs can sometimes braid funding streams together to facilitate more comprehensive services.

The law requires that a minimum of 75% of youth funds allocated to states and local areas be used to provide services for out-of-school youth and no less than 20% of youth funds be used to provide paid and unpaid work experiences (U.S. Department of Labor, Employment and Training Administration, 2021; n.d.-a). Criteria that define eligibility for out-of-school youth and in-school youth services under WIOA Title I are presented in Table 3.

**Table 3: Definition of Out-of-School Youth and In-School Youth under the Workforce Innovation and Opportunity Act (2014)**

Out-of-School Youth Ages 16 to 24	In-School Youth Ages 14 to 21
Not attending any school and one or more of the following:	Attending school, including secondary and postsecondary, a low-income individual, and one or more of the following:
<ul style="list-style-type: none"> <li>▶ A school dropout</li> <li>▶ A youth who is within the age of compulsory school attendance, but has not attended school for at least the most recent complete school year calendar quarter</li> <li>▶ A recipient of a secondary school diploma or its recognized equivalent who is a low-income individual and is either basic skills deficient or an English language learner</li> <li>▶ An offender</li> <li>▶ A homeless individual, a homeless child or youth, or a runaway</li> <li>▶ An individual in foster care or who has aged out of the foster care system or who has attained 16 years of age and left foster care for kinship guardianship or adoption, a child eligible for assistance under sec. 477 of the Social Security Act (42 U.S.C. 677), or in an out-of-home placement</li> <li>▶ An individual who is pregnant or parenting</li> <li>▶ An individual with a disability</li> <li>▶ A low-income individual who requires additional assistance to enter or complete an educational program or to secure or hold employment (U.S. Department of Labor, Employment and Training Administration, 2021)</li> </ul>	<ul style="list-style-type: none"> <li>▶ Basic skills deficient</li> <li>▶ An English learner</li> <li>▶ An offender</li> <li>▶ A homeless individual, a homeless child or youth, or a runaway</li> <li>▶ An individual in foster care or who has aged out of the foster care system or who has attained 16 years of age and left foster care for kinship guardianship or adoption, a child eligible for assistance under sec. 477 of the Social Security Act (42 U.S.C. 677), or in an out-of-home placement</li> <li>▶ An individual who is pregnant or parenting</li> <li>▶ An individual with a disability</li> <li>▶ An individual who requires additional assistance to complete an educational program or to secure or hold employment</li> </ul>

WIOA under Title I authorizes the Youth Workforce Activities Program, Job Corps, and YouthBuild, to name a few (Palmer & Small, 2021). These programs offer a variety of services, including tutoring; alternative secondary school services; paid and unpaid work experiences, such as summer and year-round employment opportunities, pre-apprenticeship programs, internships and job shadowing, and on-the-job training; occupational skill training; education offered concurrently with workforce preparation and training; leadership development opportunities; supportive services; mentoring; follow-up services; comprehensive guidance and counseling; financial literacy education; entrepreneurial skills training; services that provide labor market and employment information; and postsecondary educational and training preparation activities (U.S. Department of Labor, Employment and Training Administration, 2021). For a detailed list of programs, see Appendix A.

It is important to note that the federal government created a formula to determine how resources are allocated. This formula considers the number of unemployed individuals in areas of substantial unemployment, the number of excess unemployed individuals, and the number of economically disadvantaged youth (U.S. Department of Labor, Employment and Training Administration, 2021). Areas of substantial unemployment are defined as ones that have an unemployment rate greater than 6.5%, and the number of excess unemployed individuals measures how many more unemployed individuals a state has above a standardized rate of 4.5% unemployment (U.S. Department of Labor, Employment and Training Administration, n.d.-c).

### **Limitations**

Programs lack stable and adequate funding through WIOA allocations to states. In general, youth workforce development programs serving opportunity youth that receive funding from WIOA are designed to promote self-sufficiency. However, some of these programs authorized by WIOA to increase economic self-sufficiency among opportunity youth lack adequate funding to help them successfully transition to adulthood (Palmer & Small, 2021). Moreover, restrictions on how funds can be spent further impede the path to attaining self-sufficiency for economically disadvantaged, disconnected youth.

1. Funding restrictions: According to an Aspen Institute study, youth service providers report it was difficult to use WIOA funds for housing costs. Likewise, transferring to other WIOA programs when an individual ages out of youth services can be challenging, and there are restrictions on the types of postsecondary credential types that WIOA funding can support (Thompson, 2017, p. 14).
2. Narrow performance goals: Most youth-serving organizations funded by WIOA focus on connection to education, training, and employment. However, there are other social supports that too often get ignored yet would enable a healthy and successful transition to adulthood such as adequate housing, child care, health care, social and community connections, and livable wages.
3. Misalignment of performance measures and lack of coordination: WIOA recognizes the need to coordinate workforce development programs; among its purposes is to “support the alignment of workforce investment, education, and economic systems” (Brown, Conroy, & Kirby, 2019), and “improve the quality and labor market relevance of workforce investment, education, and economic, and economic development efforts” (Crompton, 2019). However, reaching this aspiration is challenging because many workforce development programs continue to work in silos

Additionally, WIOA funds youth programs that increase economic self-sufficiency among disconnected youth and young adults. However, there are other dimensions that are crucial for a successful transition into adulthood (Palmer, Narendorf, & Graaf, 2021). The Search Institute and the Social Development Research Group, for instance, identified eight dimensions beyond the typical connection to education, training, and employment that account for the role of security and safety in achieving self-sufficiency (Palmer, Narendorf, & Graaf, 2021). These include: physical health, psychological and emotional well-being, life skills, ethical behavior, healthy family and social relationships, educational attainment, constructive educational and occupational engagement, and civic engagement. Therefore, youth programs may benefit from more extended support through additional WIOA funding.

## **Temporary Assistance for Needy Families**

### **Background**

TANF assists families with children when the parents or other responsible relatives cannot provide for the family’s basic needs (U.S. Department of Health and Human Services, n.d.). Through TANF, the federal government distributes block grants that provide states with flexibility to carry out programs aimed at helping low-income families with children achieve economic self-sufficiency. Under TANF, states must spend some of their own dollars to receive the block grants to fund programs. The state spending requirement is known as the “maintenance of effort” requirement. States are permitted to use federal TANF funds and maintenance of effort dollars to meet any of the following four goals as set out

in the law: assisting needy families so children can be cared for in their own homes or in the homes of relatives; reducing the dependency of needy parents by promoting job preparation, work, and marriage; preventing pregnancies among unmarried persons; and encouraging the formation and maintenance of two-parent families. In addition to a variety of services, states may use TANF to fund monthly cash assistance payments. Additionally, TANF funds may be used to run programs that are specifically designed for youth and provide education and training, additional supports, and resources (U.S. Department of Health and Human Services, n.d.).

The TANF program in New Jersey is referred to as WorkFirst NJ. WorkFirst NJ uses federal dollars to implement several programs serving youth in the state. The following programs receive support:

- ▶ New Jersey Youth Corps,
- ▶ Outreach to At-risk Youth Programs,
- ▶ Adolescent Pregnancy Prevention Initiative and School-based Youth Services, and
- ▶ Independent and Living Skills Training/Supports.

New Jersey Youth Corps is a program designed to help young people earn their GED while acquiring valuable life skills and job readiness experience. The main components of the program are community service projects, personal and career counseling, employability and life skills, educational development, and continuing support services. Additionally, New Jersey Youth Corps provides pregnancy prevention services to young people who are at risk of pregnancy (New Jersey Department of Human Services, 2017).

New Jersey also uses federal TANF and state maintenance of effort dollars to fund outreach to at-risk youth (OTARY) programs, which are designed to prevent crime/juvenile delinquency and deter gang involvement by providing enhanced recreational, vocational, educational outreach, and supportive services to youth ages 13 to 18, with options to serve up to age 21. OTARY programs are located in communities with high rates of crime and gang violence. Youth do not have to be receiving child welfare services to be eligible to participate in these programs. OTARY programs partner with local schools, government, law enforcement, and other community providers to reduce the impact of risk factors on youth while developing resiliency and increasing protective factors (New Jersey Department of Human Services, 2017).

TANF funds the School-based Youth Services Programs, which operate at least one site in each county of New Jersey and provide “one-stop” comprehensive services at high schools and in some middle and elementary school sites before, during, and after school, as well as during the summer. Each site provides connection points to health care, counseling, job and employment training, substance use counseling, recreation, and referral services (New Jersey Department of Human Services, 2017).

New Jersey also uses federal TANF dollars to fund Independent Living Skills Training and Supports. The skills trainings and supports are intended to help youth enhance their independence, money management, employment-directed skills, and decision-making skills, as well as preventing outcomes such as teen pregnancy. Funds may be used to offer one-time services or goods and other items that help youth become employed, go back to school, or facilitate independence. Examples include finding a place to live, transportation to secure housing or employment, initial basic furniture purchase, tuition reimbursement, payment for driving lessons, or car insurance. Youth receiving these funds participate in life skills education that teaches pregnancy prevention (New Jersey Department of Human Services, 2017).

Between July 1, 2018 and June 30, 2019, the State of New Jersey spent a total of \$30,133,371 on services for children and youth and \$69,698,110 on work, educational, and training activities, combining federal and state dollars (U.S. Department of Health and Human Services, Office of Family Assistance, 2020).

### **Eligibility**

Only U.S. citizens or eligible non-U.S. citizens (individuals who are a U.S. national or a U.S. permanent resident) are eligible. Participants cannot have any other forms of income to receive cash assistance. There is a 60-month lifetime limit on benefits (New Jersey Department of Human Services, 2017).

### **Limitations**

There are several limitations that restrict distribution of TANF supports, beyond the lifetime limits and work restrictions mentioned in the eligibility requirements. Further restrictions include limits on education and training hours counting toward work requirements, low level of cash assistance, 60-month maximum lifetime benefits, and recipients must work within two years.

## **Supplemental Nutrition Assistance Program Education and Training Program (SNAP E&T)**

### **Background**

SNAP, administered by the U.S. Department of Agriculture's Food and Nutrition Service (FNS), is the largest federal program that provides eligible, low-income individuals and families with financial support for food through issuing an electronic benefit transfer card that can be used to purchase eligible food items at authorized retailers (Benefits.gov, n.d.). FNS also administers SNAP E&T, which disburses funding to states to provide education, training, work experience, and support services to help SNAP participants become economically self-sufficient and reduce their need for SNAP benefits (Lower-Basch, 2014; U.S. Department of Health and Human Services, Office of Family Assistance, 2016). These programs aim to reduce barriers through a variety of support services as participants prepare for and obtain employment.

Each state is required by law to operate a SNAP E&T program and receives federal funding annually to operate it (Food and Nutrition Service, U.S. Department of Agriculture, n.d.). States have considerable flexibility in determining how to administer the program, as it is up to the individual state to determine which SNAP participants to serve, whether it is voluntary or mandatory, as well as which services to offer and who will provide the services (Food and Nutrition Service, U.S. Department of Agriculture, n.d.).

There are three funding streams for SNAP E&T and each can cover a variety of program costs, including administrative costs, direct program costs, and supportive services for participants. All states receive E&T Program Grant "100 Percent Funds," which are formula-based grants to plan, implement, and operate services. "Fifty Percent Reimbursement Funds" may be requested by a state to cover costs exceeding those covered by 100 Percent Funds, or for supportive services provided to participants. The third funding stream is "Able-bodied Adults without Disabilities" ("pledge" state) grant funds, which are available to states that pledge to offer E&T services to those meeting criteria for able-bodied adults without disabilities. This source of funds can be used to extend further help to those who are at risk of losing SNAP eligibility due to time limits. States must request to be a "pledge" state to receive these funds (SNAP to Skills, U.S. Department of Agriculture, n.d.).

The SNAP E&T funds can be used to meet a variety of opportunity youths' needs by providing them with skills, education and training, and supportive services to help them succeed in employment. As long as the youth meets SNAP eligibility requirements, they are eligible for SNAP E&T services. However, some challenges do exist as only the 50 Percent Reimbursement Funds may be used only to pay for participant expenses deemed "reasonably necessary and directly related to program participation" (supportive services), including transportation, dependent care, equipment and supplies related to training, books, uniforms, and licensing fees (SNAP to Skills, U.S. Department of Agriculture, n.d.). Local areas or programs must be able to front the cost of providing services in their entirety and will be reimbursed for 50% of costs. Many YYA struggle with housing security, for which SNAP E&T funds cannot be used if it is not directly related to program participation. Another challenge is that out-of-school youth ages 16 or 17 who are head of the

household or are not attending school may be subject to work requirements set forth by the legislation. However, FNS encourages states serving 16- and 17-year-olds not attending school to coordinate service through the WIOA Youth Program (Food and Nutrition Service, U.S. Department of Agriculture, n.d.).

## **SNAP E&T in New Jersey**

SNAP E&T funding provides assistance to obtain the skills and supports necessary to secure a job. It also provides recipients with an opportunity to meet the work requirements to remain eligible for SNAP benefits. In New Jersey, employment and job readiness activities under SNAP E&T are provided by the New Jersey Department of Labor and Workforce Development. Participation in New Jersey in an E&T program is mandatory for SNAP participants without an exemption. The mandate requires that individuals participate for up to 30 hours a week to keep their benefits, with the amount of required hours depending on the individual participant's situation. Able-bodied adults without dependents are subject to special time limits that restrict their participation to three months of SNAP benefits unless they are working or enrolled in an employment and training program (New Jersey Department of Human Services, n.d.-a). New Jersey's SNAP E&T program provides recipients with access to short-term vocational or technical training, on-the-job training, job placement services, case management services, High School Equivalency or GED, English language training, literacy or other adult basic education, job search training (including résumé writing and interviewing skills), and group and individual job search activities. Those who participate in an E&T program can receive help with transportation and other supportive services such as reimbursements for uniforms or personal safety items (New Jersey Department of Human Services, n.d.-b).

### **Eligibility**

Individuals seeking support from SNAP E&T funds must meet income eligibility requirements that are based on factors such as household size and income (Thompson, 2017).

### **Limitations**

A limitation is that SNAP E&T funds can only be used for employment and/or educational costs, which include vocational and technical education. Organizations providing services must meet the 50% matching requirement in order to receive SNAP E&T funds. Moreover, the reimbursement process is cumbersome for community-based organizations. Feeling constrained by restrictive provisions and unwieldy processes, many states fail to take full advantage of SNAP E&T resources, leaving unclaimed funds every year (Thompson, 2017). The policy lacks built-in barrier reduction supports for recipients that are essential for reconnecting youth to education and employment but are not directly service related, such as mental health services and housing assistance.

## **Pell Grant Program**

### **Background**

Under the federal Pell Grant program, need-based grants are awarded directly to low-income, undergraduate students and certain post-baccalaureate students to promote access to postsecondary education. The amount of the grant is dependent on the student's expected family contribution toward the cost of schooling, the cost of attendance determined by the institution, the student's enrollment status, and whether the student attends for a full academic year or less. Pell Grants may be used at any of approximately 5,400 participating postsecondary institutions, and students may not receive federal Pell Grant funds from more than one school at a time.

Financial need is determined by the U.S. Department of Education using a standard formula to evaluate information reported in the Financial Application for Federal Student Aid and to determine the expected family contribution. Fundamentals of the formula include the student's income and assets, if independent, or parents' income and assets if the student is dependent; family household size; and the number of family members attending postsecondary institutions. The formula uses different assessment rates and allowances for dependent students, independent students

without dependents, and independent students with dependents. Once the formulaic funding amount has been determined, participating postsecondary institutions disperse the federal Pell Grant funds by crediting the student's school account, paying the student directly, or a combination of those methods, once per term or twice per academic year (U.S. Department of Education, 2015). This formula includes added benefits to individuals who are homeless, orphans or wards of the states, as well as other criteria that disproportionately impacts opportunity youth.

### **Eligibility**

In order to be eligible to receive Pell Grant funds, an applicant must be able to demonstrate financial need, be a U.S. citizen or eligible noncitizen, be enrolled in an eligible degree or certificate program at one of the 5,400 accredited colleges or career schools that participate in the Pell Grant program, and make satisfactory progress. Pell Grant money can be used for tuition, fees, and books. There is a lifetime limit to the amount an individual can receive based on calculating the actual amount of the award used per year vs. the scheduled award amount per year (U.S. Department of Education, n.d.).

### **Limitations**

The federal Pell Grant program places a lifetime limit on what an individual can receive. Due to that limitation, funds received from Pell are not enough to cover the cumulative costs of college.

## **Perkins V Funding for Career and Technical Education**

### **Background**

In 2018, the Strengthening Career and Technical Education for the 21st Century Act was signed into law, reauthorizing the Carl D. Perkins Career and Technical Education Act of 2006. Perkins V, as it is referred to, provides federal support for career and technical education (CTE) programs aimed at improving the academic and technical achievement of learners by increasing learner access to high-quality CTE programs with alignment across K-12 education, postsecondary education, and the workforce (New Jersey Department of Education, n.d.).

Perkins V funding is provided to states to distribute to institutions, schools, and agencies in order to implement CTE programs. In New Jersey, as in many other states, eligible recipients must submit an application to receive money from the federal funding that is funneled through the New Jersey Department of Labor and Workforce Development. Funds may be used to implement programs and components providing career exploration and development activities; skill building necessary to pursue high-skill, high-wage, or in-demand industry sectors or occupations; and professional development of staff, educators, and personnel. Under Perkins V, youth are considered a special population. This means that youth are among those for whom Perkins dollars may be used to support to reduce or eliminate their out-of-pocket expenses through paying costs associated with certain fees, transportation, child care, or mobility challenges as a stipulated provision for special populations (New Jersey Department of Education, 2021).

Nationwide, there were 8,910,991 secondary CTE participants and 3,539,930 postsecondary CTE participants during program year 2018–19 (U.S. Department of Education, Office of Career, Technical, and Adult Education, n.d.). Perkins V has a strong tie to other federal policies that support education as workforce preparation, including WIOA, Higher Education Act, Individuals with Disabilities Education Act, and Every Student Succeeds Act. These connections are found within coordinated planning and implementation requirements, aligned definitions and accountability indicators, and coordination of learner supports, as well as through common stakeholders (Advance CTE, 2020). The federal government's encouragement of coordination between Perkins V and WIOA is particularly emphatic.

In New Jersey, Perkins V funding works closely with WIOA Title I. The state encourages the expansion of CTE programs and services for youth from low-income communities, as well as support to at-risk students to graduate high school. Out-of-school youth services and supports are also aligned with WIOA Title I to ensure that they have the opportunity



to partake in educational and training programs that lead to postsecondary credentials, employment, or continuation of their education in CTE programs. New Jersey's One-Stop Career Center system delivers and coordinates workforce development activities and job placement services (New Jersey Department of Education, 2020).

The New Jersey Department of Education delivers CTE at the secondary level through local high schools and county vocational-technical schools, which provide supplemental education and career training to high school students and adult learners. Community and county colleges in New Jersey deliver CTE at the postsecondary level. CTE providers and workforce systems collaborate through statewide advisory committees and boards, sharing of labor market information, and an approved common list of industry-recognized credentials (Advance CTE, 2020). In fiscal year 2020, New Jersey received nearly \$25.8 million in federal Perkins V funding, with 55% of funding directed to the secondary school level and 45% directed to the postsecondary level. Eligible secondary institutions receive a minimum gross allocation of \$15,000 and eligible postsecondary institutions receive a minimum allocation of \$50,000. If the recipient's allocation would be less than the applicable amount previously mentioned, they may form a consortium with another or other recipients.

New Jersey designated 10% of funds for state leadership activities, including for CTE teacher recruitment and retention. Funds will be used to "support CTE Teacher Preparation Programs that prepare individuals entering the secondary CTE teaching profession through New Jersey's alternate route teacher program" (New Jersey Department of Education, 2020).

During the 2018–19 school year, New Jersey served 74,986 secondary CTE participants and 109,683 CTE postsecondary/adult CTE participants. Secondary education graduation rates for the 2017–18 school year were 98% of CTE concentrators (a student at the secondary-school level who completed at least two courses in a CTE program or earned 12 credits in a CTE program at the postsecondary level) and 91% of all high school students. In addition, 94% of New Jersey postsecondary CTE concentrators met performance goals for technical skills in 2018 (Association for Career and Technical Education, 2021).

### **Eligibility**

Any individual enrolled in a secondary or postsecondary institution in New Jersey is eligible for funding through Perkins V to support student costs of participating in CTE.

### **Limitations**

Individual organizations and educational institutions must apply to the state to receive funding. The impact on the overall youth population depends on the programs that receive funding to support programs and provide services to youth. Funding must be applied for annually and is subject to changing funding levels. There is no set cap on how much funding an institution may receive, and the state requires that only a certain percentage of the entire budget be used for secondary and postsecondary educational programs.

### **Other, Non-federal Funding Available for Youth Workforce Development in New Jersey**

While WIOA, TANF, SNAP, Pell, and Perkins are the big federal funding streams supporting opportunity youth, other smaller-scale federal and non-federal funding sources are available to financially support disconnected youth programs. Three prominent sources include Performance Partnership Pilots, the Social Innovation Fund, and the Learn and Earn to Achieve Potential initiative.

### **Performance Partnership Pilots**

Performance Partnership Pilots were established by the Consolidated Appropriations Act of 2014. This initiative provides pilot sites (states, localities, and tribes) with additional flexibility to blend discretionary funds from formulaic allocations and competitive grant funding from specified federal agencies under a single set of reporting requirements, enabling pilot sites to explore better ways of improving outcomes for disconnected youth (Youth.gov, n.d.-a).

### **Social Innovation Fund**

The Social Innovation Fund, established in 2009, is a program initiative of AmeriCorps. The Social Innovation Fund provides grant money to effective youth development nonprofit intermediaries, which must match funds 1:1 from private and non-federal sources (Youth.gov, n.d.-b).

### **Learn and Earn to Achieve Potential**

Learn and Earn to Achieve Potential is an initiative to increase employment and educational opportunities for young people in foster care or the criminal justice system, or youth who are homeless. The initiative is funded by the Social Innovation Fund, a program of AmeriCorps, and national and local philanthropies. Two models – Job for the Future’s Back on Track and Job for America’s Graduates – are being implemented by 10 local partners in different states (Annie E. Casey Foundation, n.d.).

### **Alternative Youth-focused Programs**

The federal government provides funding to several “comprehensive approach” programs that are alternative youth focused and provide support and aid to young adults in gaining employment. These programs include (Thompson, 2017):

- ▶ U.S. Department of Labor: Reentry Employment Opportunities, Job Corps, and YouthBuild
- ▶ Various departments: Service and Conservation Corps
- ▶ AmeriCorps State and National and National Civilian Community Corps

These programs offer a more holistic approach and tailor the program design to the needs of individual participants, making adjustments based on education or skill level and other circumstances that may affect success. The different programs are varied in that some offer counseling, mentoring, and follow-up supports into employment and post-secondary education, some engage youth in various forms of national and community service, and others provide leadership development opportunities. Many of these programs allow opportunity youth to earn money while gaining education and employment skills. Appendix A details a non-exhaustive list of programs in brief.

## **Insights from Stakeholder Interviews**

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As mentioned earlier, interviews were conducted with stakeholders representing local area practitioners who implement opportunity youth programs as well as experts with knowledge of policy issues and community needs surrounding disconnected youth. The findings presented below were organized into overarching categories by determining the common themes that emerged through analyzing the specific topics discussed during those interviews. They appear in the order of most frequently discussed.

### **The restrictions on funding and reporting requirements of WIOA pose challenges to local areas providing youth with services that would benefit them.**

Nearly all interviewees reported that they find the limitations on WIOA youth funding to be too restrictive. One stakeholder explained that they have an “inability to get creative with funding,” which hinders their ability to provide youth services. For instance, WIOA funding cannot be used to provide incentives to get more youth to participate in programming, nor can it be used in most cases for the cost of transportation necessary to get youth on location to participate. Some areas in New Jersey face more geographic challenges than others do in this regard, as more rural areas typically lack public transportation systems and tend to be more spread out. Furthermore, an interview subject suggested that the local interpretation of how funds can be used is restrictive because the law is not especially clear.



When discussing funding restrictions, one interviewee stated that “interpretation of the local contract administrator because of something that happened with an audit review” has led to instances where they “were told that [something] was ok, and now it’s not ok...because of a different interpretation.”

### **Rigid eligibility requirements prevent effectively serving youth.**

A theme that emerged consistently was the rigid eligibility and performance requirements that either disqualified individuals who could benefit from particular programs or dissuaded young people from applying for programs that receive federal funds, such as YouthBuild and Job Corps. For example, according to the Migration Policy Institute (2021), undocumented immigrants do not qualify for WIOA funding, yet 14%, or approximately 60,000, of the undocumented population in New Jersey is between the ages of 16 to 24, inclusive. This represents a substantial portion of youth in New Jersey who likely need and could be receiving educational and training services, but do not because of their immigrant status.

Another, related challenge faced by young people is provision of the documentation required from them to establish their eligibility. According to one interviewee:

*Young people who meet the eligibility requirements are overwhelmed by the identification and proof of residence materials they are required to provide to prove their eligibility for federal programs, which many young people in the communities served by federal programs have difficulty attaining because they move so frequently.*

This has the effect of constraining the capacity of programs to reach many youths who are eligible for programming because it discourages young people from applying to WIOA and other federally funded programs for much-needed assistance.

### **Youth-serving programs face limited funding and lack of investment.**

The funding available to youth-serving programs through WIOA limits what the breadth and scope of such programs can affect. An interviewee stated, “Under current funding, it is difficult to meet some of the WIOA performance targets because the administrative support required to ensure that young people meet all of the WIOA targets is not sufficient.” The federal government expects WIOA-funded youth programs to place young people at a job or postsecondary institution, as well as ensure they persist within that job or institution. To persist in work and education, young people need encouragement and support. Agency personnel who were interviewed for this study say that they try to support youth after they graduate from their program, but it is difficult to support young people without adequate funding. This has driven some programs to reject federal dollars and seek private funding so they can provide the supports a young person needs to be successful beyond participation in their program.

One of the fundamental goals of WIOA-funded programs is to support young people’s successful transition into adulthood; however, many youth encounter transition barriers such as poverty, homelessness, and lack of social supports. Moreover, WIOA-funded programs focus on self-sufficiency through connection to education, training, and employment, but ignore basic needs that are essential to a young person’s transition such as food, shelter, clothing, and transportation. Extended funding could benefit young people and produce sustained success.

Finally, when a student leaves a school district, district dollars do not always follow them. That is, the money that a particular school district receives to serve a student for an entire year does not leave that district once a student disengages from the district. It is important to note that the money follows students who transfer from a public school to a charter school; however, when a young person leaves a traditional secondary school, the money remains at their previous school – it does not resurface at a non-traditional program, such as a community-based organization that serves disengaged or disconnected youth.

### **Multiple funding streams are essential for program sustainability.**

Federal dollars come with many restrictions, of which several are time bound. Federal funding levels change from year to year, which creates risk for budgeting and program management. Also, federal dollars cannot be used for the overhead costs of running programs. Some of the restrictions on what funds can and cannot be used for has the effect of preventing the holistic needs of youth from being met. However, federal dollars provide robust funding for program services and costs, and they add to an organization's reputation as it proves itself worthy to continue being federally funded. Philanthropic dollars help cover the gaps left by federal funding streams and are important for community and regional collaboration but lack the scope of federal dollars to sustain youth development efforts throughout the state. Additionally, philanthropic dollars can be used for research, innovation, and scaling. As one stakeholder explained, "...having philanthropic dollars for research, for innovation, for scaling will always be a great complement to federal dollars...and really allows for organizations to be strong."

### **Many existing youth policies, despite their best intentions, are not youth centric enough.**

The strict performance requirements of the federal government's youth policies are at risk of creating compliance-driven programs as opposed to programs that provide services in a way that is best for the youth. The policies are aimed at achieving labor market outcomes and tend to be out of touch with the needs of the target population. While individual programs may be designed to align with youth needs, culture, and barriers commonly faced, policies at the federal level rarely have the same degree of youth-centric focus. As one stakeholder explained, policies are often "designed by measurement from a federal office that are based on some sort of formula" geared toward labor market outcomes rather than meeting the needs of individuals.

## Recommendations from Stakeholders

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The following recommendations were provided by various stakeholders interviewed for this study. Related comments offered by different individuals were combined thematically into recommendations.

### **Change government accounting practices to allow for funding streams to be braided together more easily.**

Braiding funds is difficult because of competing reporting requirements and eligibility requirements. It is hard for the federal government to come together to remove these barriers. Fear of governmental audits preclude programs from mixing federal dollars with private monies. This can limit the reach of a program's impact. Eliminating rigid federal regulatory requirements can help youth-serving organizations expand their reach and impact. This may also allow funds to follow students within districts when they disengage from a secondary institution.

### **Create interagency structures focused on youth.**

By and large, governmental agencies serving youth operate independently of one another. These agencies make unilateral decisions that limit their impact. State and local governments can prevent cross-sector fragmentation by creating structures that cut across silos to achieve a common goal. For example, youth cabinets or councils would bring leaders together from related departments to work on shared goals.

### **Provide young people with a platform to make decisions that affect them.**

No one is as familiar with the challenges of disconnected youth than they are themselves. Young people need a platform to share their experience and ideas with employers and governmental agencies. An example of this in New Jersey currently is the New Jersey Shared Youth Vision Council, which recommends policy services and components for programs that serve youth at the local level in the workforce system. This organization also designs or assists in the programs and services that focus on youth workforce policy recommendations that best serve the needs of clients.

### **Identify organizations that can manage the burden of onerous administrative duties that are an inherent part of federal funding.**

Significant administrative duties that are inherent of federal funding frequently pose a burden on youth development service providers. Valuable time and resources are spent to train staff to complete administrative tasks that could be better directed toward providing quality services to youth. By identifying and partnering with other organizations to manage the administrative responsibilities of federal funding, youth-serving organizations could remove that burden from their personnel and focus more staff efforts on activities that could lead to improved outcomes.

### **Increase visibility of disconnected youth**

Many do not understand the societal impact of disconnected youth, specifically, who they are, what services they generally receive from the government, and the cost to society they create. The long-term economic impacts of youth disconnection on society are immense. As one stakeholder asserted, legislators, policymakers, and employers need to “have a sense of what it means for the economy for young people to never be connected back into jobs. It’s a huge economic drain.” A study conducted in 2011 found that the full lifetime fiscal burden of the then 6.7 million disconnected youth nationally was \$1.6 trillion, with the full lifetime burden equating to \$4.7 trillion (Belfield & Levin, 2012). Finding ways to elevate the conversation and spotlighting the impacts of youth disconnection on society for policymakers could lead to a higher investment, which could lessen the disconnection rate and thus the long-term economic impacts. New Jersey may consider creating a Disconnected Youth Task Force, similar to what New York City created under Mayor de Blasio to examine the barriers to connection to employment and education. This initiative could be composed of city, state, and community stakeholders that explore the obstacles facing YYA ages 16 to 24 who are neither employed nor in school and offer recommendations to inform local and state policy. Besides establishing a statewide taskforce to disseminate information to the public about opportunity youth, data analysis that articulates the need for support of opportunity youth would increase visibility of this population. This data analysis may illustrate the demographic characteristics of opportunity youth and their life outcomes compared to connected youth, highlighting the inequities between groups.

### **Youth workforce development needs to consider the holistic needs of youth in order to maximize successful outcomes.**

The social, emotional, and physical needs of youth should be incorporated into policy and programming at the ecosystem level. As one stakeholder stated, “You can’t just think about jobs. The youth workforce development system must include all of the wraparound services that make the job impactful and puts [youth] on a path to realize their full potential.” Barriers such as child care, health care, transportation, and food insecurity must be addressed; otherwise, outcomes will not be fully realized. While some programs have incorporated this line of thinking into their programs, it needs to be more prevalent throughout the youth workforce development system at all levels, including the policy level.

## Discussion and Conclusion

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This report presented the federal funding available to New Jersey for youth workforce development. Within these funding streams, the background of each program, the eligibility criteria, and the limitations of these funds were described. Stakeholder interviews in this report revealed the challenges associated with use of existing federal funding in serving disconnected youth and strategies to mitigate these challenges, including examples of how to support programs serving marginalized youth. The range of findings across these lines of investigation are now discussed to address the questions that guided this study.

In short, the federal funds available to YYA in New Jersey mirror what is available to the population nationally. These large federal funding streams include WIOA, TANF, SNAP, and Pell Grants. Each funding stream has its own unique eligibility criteria. To name a few, to qualify for WIOA funds, YYA must be living in poverty as measured by 100% of the federal poverty rate or 70% of local living standard and must lack basic skills; TANF recipients must be U.S. citizens and have no other financial resources, and dependent children must be under 18; and SNAP E&T recipients must meet Food Stamp income requirements, which means household income must be at or below 130% of the poverty line. Finally, the federal Pell Grant program requires that recipients be enrolled in an eligible degree or certificate program and make satisfactory academic progress. All federal funding streams require that recipients be U.S. citizens or eligible noncitizens – the federal government usually excludes undocumented immigrants from receiving federal funds.

In addition to considering available federal dollars to support programs for opportunity youth in New Jersey, researchers explored what may be available through nonprofit and philanthropic organizations as a source of program support. Philanthropy is not as pervasive as one would expect from a state as wealthy as New Jersey. According to multiple news sources, New Jersey is identified as one of the wealthiest states in terms of median household income. Only one program that was interviewed received all of its funding from private dollars. Thus, federal funds are necessary for most programs to operate in New Jersey. The programs that opted out of receiving federal dollars or chose to receive little federal funding decided to do so because of rigid eligibility requirements that would preclude some of their participants from being sponsored or would limit the organization's ability to create innovative programs. The strict accountability requirements, according to some program administrators, drove them to be compliance driven as opposed to outcomes driven. The organizations that received more philanthropic dollars have more latitude to focus on outcomes.

Moreover, attempts to braid together federal dollars from multiple programs are similarly fraught with obstacles. Even when technically possible, it is hard to blend funds in an efficient manner. Using funds flexibly, or using funds outside of the defined use, is difficult especially for federal monies. Collaboration across sectors is exceedingly difficult when programs cannot align funding sources to reach a common goal. Moreover, local, state, and federal agencies do not coordinate funds, and sometimes there are statutes that prevent funds from being used flexibly. Another challenge related to braiding funds includes division of services or fragmentation. That is, there are multiple governmental programs within a state that offer similar or the same service but function independently of one another. Yet each of the overlapping governmental programs must show independent accountability for their expenditures on service provision through reporting on performance outcomes. Finally, while an intervention may be deemed worthwhile by multiple sectors, one sector may be the lone investor. This results in inadequate investment in programs that serve youth because the investments cannot be justified by an investing agency in terms of return on their investment. In other words, the programs now spending resources on individuals may achieve less-worthy performance outcomes than subsequent programs that serve the same individuals. These obstacles make it challenging for governments to coordinate resources using funds from multiple agencies, which in turn makes tackling social problems that require cross-sector collaboration like youth unemployment and disconnection difficult.

The stakeholder interviews also offered strategies to mitigate these challenges, as well as examples of how to support programs serving marginalized youth. First, stakeholders recommended that the government relax some of its accounting requirements, allowing more blending of federal and private dollars. Some states are making use of federal waivers to undertake statewide initiatives that include blending and braiding of federal and state funds, and to make it easier for local governments to do so. Second, state agencies should create cross-sector teams to collaborate on how they can jointly serve a population, such as disconnected youth. This includes interagency planning groups, including youth workforce development cabinets and interagency youth councils that make it easier to coordinate funding for specific objectives across agencies. Third, young people should be given the agency to make decisions for themselves since they know their own individual needs best and are striving to become self-sufficient adults. Fourth, local and state governments should identify organizations with capacity to manage the administrative difficulties that are associated with use of federal funding. For instance, nonprofit service providers, such as NOYN, could become the nucleus for local initiatives. In some states like Michigan, nonprofits coordinate funding from multiple sources, including the local district budget, State Department of Education, grants for at-risk youth, and private funding to deliver youth-based services (Butler, Higashi, & Cabello, 2020). Fifth, local communities and programs serving disconnected youth should attempt to increase the visibility of disconnected youth through data analysis to identify where this population lives and the short-term and long-term economic benefits to the state of serving this population. In addition, sharing and analyzing data would promote collaboration and flexible or merged budgeting by allowing for cross-sector analyses, such as the broader impacts of collaborative approaches to serving opportunity youth. There is a general reluctance of governmental agencies that manage sensitive data to share information with one another, partly because of legal privacy restrictions. State agencies store data in multiple, disconnected systems, each with different measures, data points, and funding. State Longitudinal Data Systems could eliminate some of these barriers by integrating administrative data from multiple governmental agencies and making it interoperable. Implementing data-sharing agreements could assuage governmental agencies' concerns around data privacy. Finally, the youth workforce development system as a whole should consider the holistic needs of young people and the coordinated services required to support youth in transitioning toward self-sufficient adulthood.

This set of policy recommendations, along with the substantive information around the funding available to youth workforce development programs in New Jersey, provides local and regional communities with tools to advocate for changes that will scale impact and lead to reaching more young people across the state. The benefits to serving disconnected youth are enormous, not only to the individuals themselves but to their communities and the public at large. The Collaborative has started to implement some of the aforementioned strategies to serve YYA, such as integrating data across local agencies, making use of local bodies to help facilitate collaborative ventures involving public and private organizations, and youth cabinets to establish interagency planning groups to coordinate funding and programs across agencies to support YYA in workforce development. The socioeconomic cost of failing to invest adequately in disconnected youth is enormous. Yet, numerous studies claim that the return on investment of serving this population is substantial (Belfield & Levin, 2012). Thus, the question is do we pay a little now or much more later?

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## About the Heldrich Center

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The **Heldrich Center for Workforce Development** at Rutgers University is devoted to transforming the workforce development system at the local, state, and federal levels. The center provides an independent source of analysis for reform and innovation in policy-making and employs cutting-edge research and evaluation methods to identify best practices in workforce development, education, and employment policy. It is also engaged in significant partnerships with the private sector, workforce organizations, and educational institutions to design effective education and training programs. It is deeply committed to assisting job seekers and workers attain the information, education, and skills training they need to move up the economic ladder.

## About Newark Opportunity Youth Network

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**Newark Opportunity Youth Network** (NOYN) is New Jersey's leading advocate of opportunity youth with a body of replicable initiatives that are designed to address youth disconnection. These initiatives, organized around four key elements of education, workforce development, policy advocacy, and systems building, work in tandem to accomplish NOYN's mission to re-engage opportunity youth while drastically changing systems that inhibit their success.

## Appendix A. Youth Programs with Funding Source Other than WIOA

Program	Funding Source	Description	Highlights
National Guard Youth ChalleNGe	U.S. Department of Defense and managed by the National Guard Bureau	Enrolls high school dropouts between the ages of 16 and 18 who are unemployed/ underemployed in a 17-month program to improve the educational and employment success of the participants (Bridgeland & Mason-Elder, 2012).	In a cost-benefit analysis, the RAND Corporation found that for every dollar expended, the Youth ChalleNGe program generated \$2.66 in benefits, with a return on investment of 166% (Perez-Arce, Constant, Loughran, & Karoly, 2012). An evaluation of the program found that participants were more likely than non-participants to have obtained a GED or high school diploma three years after entering the study (72% vs. 56%) and had increased annual earnings 20% higher than non-participants (Millenky, Bloom, Muller-Ravett, & Broadus, 2011).
Job ChalleNGe	U.S. Department of Defense and managed by the National Guard Bureau	Designed specifically for justice system-involved youth. Operates similarly to National Guard Youth ChalleNGe program.	A recent evaluation revealed that 80% of Job ChalleNGe participants were employed 14 months after exit, with 66% saying that the program helped to prepare them for work (Berk et al., 2020).
AmeriCorps NCCC and FEMA Corps NCCC	Corporation for National and Community Service	AmeriCorps NCCC and the NCCC FEMA Corps are full-time, team-based, residential programs for young people ages 18 to 26 and have established a target for 50% disadvantaged youth members. Approximately 2,200 members serve every year for an 11-month term and complete at least 1,700 hours of service. Members receive a variety of benefits, including a modest living allowance, loan forbearance for federally backed student loans, Segal AmeriCorps Education award of more than \$6,000, the potential to earn college credit, and a competitive job edge in the Employers of National Service network (AmeriCorps, n.d.).	
AmeriCorps State and National	Corporation for National and Community Service	AmeriCorps State and National provides grants to support a wide range of nonprofit organizations, many of which also work with opportunity youth, including YouthBuild and Service and Conservation Corps (Bridgeland & Mason-Elder, 2012).	
Service and Conservation Corps		Service and Conservation Corps engage youth between the ages of 16 and 24 in service, education, job training, and mentorship. The programs receive support from a wide range of federal, state, and local agencies and philanthropic organizations. Much of the federal funding comes from "fee-for-service" contracts with agencies such as the Bureau of Land Management, Department of Interior, and the National Park Service (Bridgeland & Mason-Elder, 2012).	An evaluation from 1996 found that Service and Conservation Corps program participants had a greater likelihood to have worked for pay since enrolling in the program, 89% vs. 73% for non-participants (Jastrzab, Masker, Blomquist, & Orr, 1996).



## Appendix B. References

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